



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

## MEMORANDUM

To: Reporters and Editors  
Re: Misuse of HHS Words, Symbols  
Da: Tuesday, April 8, 2003

Today, the Inspector General of the Department of Health and Human Services warned companies against misusing Health and Human Services' words such as "Medicare" to mislead people into thinking certain products are government-approved. Sen. Chuck Grassley, chairman of the Committee on Finance, made the following comment on the Inspector General's action.

"I appreciate the Inspector General's reminder. The idea that someone would intentionally misuse federal government symbols, emblems and words for a marketing edge is reprehensible. We have to stop this behavior and punish those who engage in it. That's the best deterrent for others who might be considering this wrong approach."

The Inspector General's press release follows.

For Immediate Release Washington, D.C. 20201

April 8, 2003 (202) 619-1343

### **OIG WARNS AGAINST MISUSE OF HHS WORDS, SYMBOLS, EMBLEMS**

The Office of Inspector General (OIG) issues this alert as a reminder that it is a violation of federal law for individuals or organizations to misuse HHS departmental words, symbols, or emblems to market their services. This reminder is prompted by particularly egregious violations of this statute by U.S. Seminar Corporation of La Mesa, California.

An **OIG demand letter** was served April 3 on U.S. Seminar and its executives Jeffrey Ribera, Richard Price, and Darrell Braithwaite, seeking civil monetary penalties in the amount of \$1,086,258 for the misuse of the word "Medicare" in its marketing practices. The unlawful conduct alleged by the OIG is based on over 362,000 mailings issued by the company. U.S. Seminar offers Medicare reimbursement and coding seminars to health care providers and practitioners nationwide.

The OIG alleges that U.S. Seminar has sent hundreds of thousands of solicitations to health care providers in which it has used the words and letters of the Medicare program and HHS in a manner that reasonably could be construed as conveying the false impression that its seminars

are approved, endorsed, or authorized by Medicare. Neither U.S. Seminar nor Doctor 's Assistance Corporation, formed in 2002 by U.S. Seminar 's owners to provide similar training on privacy regulations promulgated pursuant to the Health Insurance Portability and Accountability Act, are associated with or endorsed by Medicare or HHS.

Investigators from the OIG found that U.S. Seminar:

- employees contacted providers, misidentifying themselves as Medicare representatives;
- told providers that attendance at the company 's seminars is mandated by Medicare;
- engaged in this marketing conduct frequently for over six years, despite numerous notifications, in the form of cease and desist letters, from the OIG that these marketing efforts violated federal law; and
- solicitations have generated complaints from providers in nearly every state, with some complainants stating that they received several solicitations from U.S.Seminar each year.

The misuse of words, letters, symbols, or emblems of Medicare or HHS in an advertisement, solicitation, or other form of communication that reasonably could be construed as conveying the false or misleading impression of approval, endorsement, or authorization of the government is a violation of section 1140 of the Social Security Act, 42 U.S.C. § 1320b--10. Neither Medicare nor HHS has ever endorsed private companies or individuals. The OIG may impose a penalty of up to \$5,000 for each violation related to printed media and a penalty of up to \$25,000 in the case of such misuse related to a broadcast or telecast. In the case of direct mailing, solicitations, or advertisements, each piece of mail constitutes a separate violation.

The OIG takes action against those who violate this statute with such marketing practices. In those instances where a matter is not resolved informally after issuance of a cease and desist letter, the OIG may issue a demand letter. A demand letter initiates a formal administrative proceeding in which these recipients have a right to request a hearing before an HHS Administrative Law Judge. Since 1988, the OIG has issued over 30 cease and desist letters to various companies around the country based on potential misuse of HHS or Medicare words or symbols. The overwhelming majority of recipients of such letters comply with the letters ' demands.

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